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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 25, 2016

Craig Dansie
Nephi Sandstone Corporation
1250 North 200 West
P.O. Box 137
Nephi, Utah 84648

Subject: Division of Corporations Registration, Nephi Sandstone Corporation, Soma and Champlin #1 Quarries, S/023/0065 and S/023/0104, Juab County, Utah

Dear Mr. Dansie:

By letter dated October 8, 2015, the Division of Oil, Gas and Mining required that the reclamation sureties for the Soma and Champlin #1 Quarries be in the name of the operator and that the operator be an entity registered to do business in Utah. The deadline for making appropriate changes was December 1, 2105.

According to information on the web site of the Utah Division of Corporations, Nephi Sandstone Corporation is no longer registered to do business in Utah. Nephi Sandstone Corporation voluntarily dissolved as of May 29, 2015.

The Notices of Intention to Commence Small Mining Operations (Notices) for the Soma and Champlin #1 Quarries need to be updated to show the operator as either an individual or an entity that is currently registered with the Division of Corporations. Another option would be to renew the registration for Nephi Sandstone. The reclamation sureties need to be in the name of the operator, so a change in operator name would require that the sureties be modified to reflect that change.

The Division understands you have considered transferring the Notices to DE Industries LLC which is registered to do business in Utah. This is an acceptable option, but all associated documents—the sureties, the Notices, and the reclamation contracts—would need to be changed.

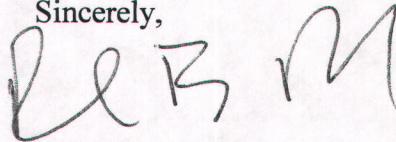
Please submit revised Notices of Intention and changes to the bonds by May 31, 2016. If the bonding situation is not resolved by that date the Division will take enforcement action.



Page 2 of 2
Craig Dansie
S/023/0065 and S/0230104
March 25, 2016

Please call Wayne Western at 801 538-5263 if you have questions about these requirements. Questions concerning the sureties may be directed to Penny Berry at 801-538-5291. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker
Minerals Program Manager

PBB: whw: eb
cc: Todd Ledds, Fillmore BLM (tleeds@blm.gov)
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